



Town Council Meeting Minutes

Thursday February 11, 2016, at 7:00 PM, in the Matthew Thornton Room

Chairman Harrington called the meeting of the Town Council to order at 7:00 p.m. Present at the meeting were Vice Chairman Mahon, Councilor Boyd, Councilor Dwyer, Councilor Vaillancourt, Town Manager Eileen Cabanel, and Assistant Town Manager/Finance Director Paul Micali. Councilors Koenig and Rothhaus were excused.

Pledge of Allegiance

Chairman Harrington led in the Pledge of Allegiance.

Announcements

Town Hall Offices will be closed on Monday, February 15th in observance of the Presidents' Day holiday.

The filing period for candidates running for Town Offices begins on Wednesday, February 24th and ends at 5:00 p.m. on Friday, March 4th.

Regular meetings of the Town Council will be conducted on Thursday, February 25th and March 24th at 7:00 p.m. in the Matthew Thornton Room.

The Deliberative Session (first session) of the Annual Meeting is scheduled for Thursday, March 10th at 7:00 p.m. at the James Masticola Upper Elementary School All-Purpose Room located at 26 Baboosic Lake Road.

Chairman Harrington read the following statement to the Town and its citizens into the record:

"First of all allow me to acknowledge that the citizen complaints regarding the traffic difficulties during the Presidential Primary have been heard, and that the Town accepts full collective responsibility. Allow me to also apologize, and say that we are sorry for the great inconveniences experienced by our citizens. Regardless of the many variables that might have been involved, the bottom line is it shouldn't have happened.

As a result, the Council has directed the election officials and the Police Department to analyze the causes of the difficulties and come before the Council with solutions in order to avoid this problem, as much as possible, in the future. I have asked that any and all options be examined including need for additional resources, improved signage, handicap accessibility, and the use of more than one polling site. This information will be scheduled as an agenda item at a Town Council meeting, and will be discussed in this public forum. Hopefully this will occur at the end of March or no later than early April.

Today a link was created on the Town of Merrimack website homepage at MerrimackNH.Gov to accept suggestions and ideas from the public."

Chairman Harrington stated there have been a good many questions as to how this came about. She noted the process was discussed during the Town Council meetings of June 28, 2012, September 13, 2012, and September 28, 2012. In addition, discussion was also had at the joint meeting of the School

1 Board and Town Council conducted on September 6, 2012. Minutes of these meetings are posted on the
2 Town's website.

3
4 Chairman Harrington noted, at this point in the agenda, the Council typically opens the floor for public
5 comment related to items appearing on the agenda. However, believing there were members of the
6 public present wishing to discuss this topic, she opened the floor to all public comment.

7
8 Rosemarie Rung, 21 Ministerial Drive

9
10 Stated she had the privilege of working the election as a Ballot Clerk, and saw firsthand voters that had
11 come in frustrated with the traffic situation. Despite that frustration, they were pleasant. She remarked
12 we have a lot to be proud of in Merrimack, and commented on how impressed she was with the
13 professionalism displayed by the Town employees who worked the election. She added Moderator
14 Christensen was stellar. Although she is aware there were frustrations related to the traffic, and that
15 some voters never made it to the polls, there were a lot of good things that occurred that she would not
16 want to be forgotten.

17
18 Ms. Rung stated she had promised residents she would do whatever she could to improve upon the
19 process in the future, and offered to provide whatever support she could.

20 **Kinder Morgan – Proposed Northeast Energy Direct (NED) Pipeline Project**

21
22 Chairman Harrington stated there to be nothing new to report.

23
24 **Comments From the Press and Public** - None

25
26 **Recognitions, Resignations and Retirements** - None

27
28 **Appointments** - None

29
30 *There being no objection, the Council went out of the regular order of business to take up the first item*
31 *under New Business.*

32
33 **1. Eagle Scout Project Proposal for Wasserman Park**

34 *Submitted by Nick LaRoche*

35 Eagle Scout candidate Nick LaRoche is proposing to build a pathway of solar powered lamp posts
36 from the Function Hall towards the Visitor Parking Lot.

37
38 Eagle Scout Candidate Nick LaRoche informed the Council the proposed project consists of the
39 construction of a pathway of solar powered lamp posts from the Function Hall towards the visitor
40 parking lot at Wasserman Park. There is virtually no light in that area at this time.

41
42 He provided a diagram that depicted the area where he proposes installing 4x4 posts with beveled edges
43 that would be painted in whatever color is preferable. A solar powered floodlight would be mounted to
44 each post. The posts would be dug 3' into the ground and cemented in. There are two areas where he
45 would connect two posts to existing posts utilizing lag bolts, and thereby reducing the need for digging.
46 The signage in the area of the restroom is in danger of falling. The intent is to replace that with one of
47 the posts and bolt the restroom signage to the new post.

1 The solar powered floodlight is LED lighting. It was noted an LED could be left on continuously for ten
2 years without burning out. Assuming the floodlights run for 3 hours/night (motion sensors) the
3 anticipated lifespan would be 33 years. The solar panels can be programmed to stay on for varying
4 lengths of time, hold a charge, and are very durable. Although optimal, the panels do not require direct
5 sunlight.

6
7 Councilor Vaillancourt questioned if the park is currently open after dusk. Matthew Casparius, Director,
8 Parks and Recreation Department, stated the project came about during the time the Town began the
9 process of opening the Function Hall up to rentals. If rented in the evening, current conditions don't
10 provide for lighting in the area. This project would address that problem. Generally the park, like all
11 other parks, closes at dusk, but if the facility is being rented that would change.

12
13 Vice Chairman Mahon commented the rule of thumb has traditionally been to dig 4' because of the frost
14 line. Eagle Scout Candidate LaRoche remarked, if constructing a building, 4' is recommended.
15 However, where what is proposed is placement of a post (in cement), that may change the depth
16 requirement. It was suggested he check with the Building Inspector.

17
18 Councilor Dwyer thanked Eagle Scout Candidate LaRoche, and commented on the number of projects
19 the scouts have provided the Town. This project is another step towards the continued improvements at
20 Wasserman Park.

21
22 **MOTION made by Councilor Boyd and seconded by Councilor Mahon that the Town Council**
23 **approve the solar power pathway proposed by Eagle Scout Candidate Nick LaRoche, Troop 24.**
24 **Eight – eleven solar powered posts would be placed in a staggered pattern going up the hill from**
25 **the Function Hall towards the Visitor Parking Lot at Wasserman Park to provide visibility to the**
26 **park users who are there for sports, function hall rentals, and other evening activities, and**
27 **furthermore, that, if necessary, the Town Manager be authorized to sign any documents**
28 **necessary, and that the project specifications regarding depth of posts be reviewed by the Building**
29 **Inspector. MOTION CARRIED 5-0-0**

30
31 *The Council returned to the regular order of business.*

32
33 *The Council recessed at 7:19 p.m.*

34 *The Council reconvened at 7:24 p.m.*

35 36 **Public Hearing**

37 38 **1. Public Hearing – Parks and Recreation Department Revolving Fund**

39 *Submitted by Parks and Recreation Director Matthew Casparius*

40 The Town Council will hold a public hearing to consider establishing a Recreation Revolving Fund
41 in accordance with 35-B:2, and to designate the Director of Parks & Recreation as agent of proposed
42 Fund.

43
44 Director Casparius provided a PowerPoint [presentation](#) on the establishment of a revolving fund, which
45 would provide a system that would encourage self-funding of programs while promoting a creative and
46 flexible approach to recreation. The Council was provided with a breakdown of how the revolving fund
47 works. It was noted the policy is modeled after other communities including Nashua, Amherst, and
48 Peterborough who have all had this in place for a number of years.

1 A revolving fund would benefit the Parks and Recreation Department as well as the taxpayers. It
2 provides greater flexibility to add new programs and services throughout the year and allows the
3 department to be more responsive to changing community needs. The department submits a budget in
4 October of each year that ultimately goes before the voters in the spring. The department is submitting
5 in October for July 2016-June 2017, and trying to guess what community needs might be. For most
6 departments that is not a big issue as their needs might not change in a major way in that timespan. For
7 the Parks and Recreation Department it is restrictive, which is why the State Legislature created this
8 type of funding mechanism.

9
10 Through the budget process, residents are essentially prefunding all of the department's programs.
11 When revenue is received for the programs it returns to the general fund essentially reimbursing the
12 taxpayers. With a revolving fund the taxpayers are taken out of the loop. Money comes into the
13 revolving fund for program registration fees and is expended from the fund to cover program costs.
14 Taxpayers would no longer be fronting the money for those programs, but would also not be receiving
15 surplus revenues at year end.

16
17 With the fund, as long as revenue is coming in for new programs, programs can be added throughout the
18 year instead of waiting for that next 18 month window to add something new. Programs are designed to
19 be self-supporting. Programs that could not generate enough revenue to be self-funded would be
20 cancelled.

21
22 In the current proposed budget for FY17, there is \$234,918 related to program expenses, e.g., salaries for
23 camps, tennis lessons, swimming, etc. With the establishment of a revolving fund, those line items from
24 within the budget would be zeroed out.

25
26 Town Manager Cabanel reiterated with the establishment of a revolving fund the expenditures as well as
27 revenues would be removed from the budget. With the establishment of a revolving fund there comes
28 flexibility that does not exist currently. She provided the example of the senior population expressing a
29 desire for a particular trip, the cost of which would ultimately be covered by the fees paid by the
30 participants, if there is not sufficient monies budgeted within the budget to cover the initial expense, that
31 trip could not take place.

32
33 Director Casparius provided the example of summer camp, which ended 3 ½ weeks before the start of
34 the school year leaving parents looking for programs. Because there was no line item within the existing
35 budget to cover the initial costs, that service could not be offered.

36
37 With a Recreation Revolving Fund, funding would come primarily through program registration fees,
38 but could also, in the future, be in the form of sponsorships, donations, etc. Monies in the fund would be
39 allowed to accumulate year to year, but are not considered part of the Town's general surplus. The
40 Town Treasurer shall have custody of all monies in the fund.

41
42 Funds may be expended only for the direct and indirect costs of a program, e.g., salaries, supplies,
43 marketing expenses, registration software, etc. Director Casparius provided the example of the summer
44 camp; significant portion of his salary is built into the cost of what summer camp offers. That kind of
45 expenditure is allowed. The revolving fund cannot be used in any way to create a liability within the
46 Town, e.g., cannot accept a grant that would require matching funds from the Town. It is also not
47 designed to cover the cost of large capital purchases. Those types of projects would continue to be
48 addressed through the Capital Improvement Plan (CIP).

1 In the event of a surplus at year end, a determination would be made as to how to best utilize the funds,
2 e.g., investment in equipment for the following year's program, etc. If expenditure of revenue is
3 recommended it would be reported to the Parks & Recreation Committee, the Town Manager, and the
4 Town Council.

5
6 In terms of the overall budget process, the department would submit the remainder of its department
7 budget in the fall, but would include with it a summary of the prior year's programs as a way to update
8 the Council and citizenry in addition to any new programs planned for the coming year.

9
10 Director Casparius stated if new programs were being recommended, the Director would make a
11 proposal to the Parks & Recreation Committee, they would vet the program and make a
12 recommendation to the Town Council. It is possible that would result in the Director coming before the
13 Council on a monthly basis to discuss potential new programs or the Council could choose to give that
14 approval authority to the Parks & Recreation Committee. A list was provided of new program
15 possibilities that could get off the ground in the coming year. Although not a comprehensive list, it is
16 one of program possibilities that could be easily activated.

17
18 Director Casparius commented if approved by the Council and then by the voters in April, the revolving
19 fund would become active in July, which would be during the busiest season for the department. He and
20 Paul Micali, Assistant Town Manager/Finance Director have discussed full implementation for fall
21 programming. There is a clear break from when summer activities come to a close and fall activities
22 begin, which would provide for revenues to offset new program costs. At that point, the department
23 would no longer expend from the general fund accounts. The revolving fund does not require any seed
24 money to get up and running.

25
26 Director Casparius reiterated in next year's budget the department would have zeroed out all of the
27 programming line items, which equate to approximately \$234,000. The way he and others view the
28 program is as a win/win; taxpayers no longer front the money, and the department gains the flexibility to
29 begin adding additional programs on a much faster pace to better serve the public.

30
31 ***Chairman Harrington declared the Public Hearing open at 7:43 p.m.***

32
33 Rosemarie Rung, 21 Ministerial Drive

34
35 Noted one of the proposed activities for adults was listed as pickle ball. She requested a definition of
36 that activity. Director Casparius responded pickle ball is like tennis but on a smaller scale. It is one of
37 the more popular programs, particularly among older adults. It uses a court that is smaller than a tennis
38 court and has a different shape of a paddle. There have already been a number of requests for it.

39
40 ***Chairman Harrington declared the Public Hearing closed at 7:44 p.m.***

41
42 Vice Chairman Mahon provided the scenario of a trip to Las Vegas, which typically requires a
43 commitment for a particular number of participants in order to achieve a favorable rate, and questioned
44 what would occur if the required number of participants was not reached. Director Casparius responded,
45 in that instance, the trip would be cancelled.

46
47 Town Manager Cabanel stated her opinion within the policy, under authority, the language should read:
48 "The Treasurer of the Town of Merrimack shall have control of all monies in the fund and shall only
49 remit the equal amount upon the direct order by the Town Manager."

1
2 Councilor Boyd commented, under authority, the first sentence reads: “To propose to the Town of
3 Merrimack if the citizens of the Town will consider a vote to create a Recreation revolving Fund.” That
4 states the Director is seeking approval of a particular fund. In that instance, why would that language be
5 necessary in the policy? Vice Chairman Mahon responded because the Town Council is the legislative
6 body, and since it is not a direct appropriation it does not have to go to the voters to establish the
7 account. Assistant Town Manager/Finance Director Micali stated a revolving fund needs to be
8 established by the residents in a ballot vote. It has to be on a warrant article on the ballot.

9
10 Councilor Boyd stated the agenda item reads in part “the Town Council will conduct a public hearing to
11 consider the establishment of a Recreation Revolving Fund.....” He reads that as if the Town Council is
12 the legislative body to establish this fund. The language says this has to go to the voters and the voters
13 have to decide whether or not they want this fund. It is contradictory.

14 Assistant Town Manager/Finance Director Micali stated with a revolving fund there is the requirement
15 to conduct a Public Hearing, the Town Council has to approve the special revenue fund and then place it
16 in the warrant to move forward to a ballot vote.

17
18 Town Manager Cabanel stated the Public Hearing is in keeping with the other public hearings the
19 Council has on the agenda. The subjects of both public hearings will be on the ballot.

20
21 When asked, Assistant Town Manager/Finance Director Micali stated the motion would be to move to
22 the Warrant. Vice Chairman Mahon stated the Statute does not say that. Assistant Town
23 Manager/Finance Director Micali stated legal counsel has advised the matter had to be brought forward
24 to the Town Council in a Public Hearing, for the Town Council to accept the establishment of the
25 revolving fund, and then it has to be moved to the Warrant for the townspeople to vote whether or not
26 they want to establish a revolving fund just as they had to vote to establish SB2, etc. Vice Chairman
27 Mahon stated agreement noting the language in 35-B:2 reads in part: “by the board or body having
28 control over the finances of a political subdivision ...” That is not the Town Council.

29
30 Councilor Boyd reiterated that is not what the agenda reads. Vice Chairman Mahon remarked the
31 agenda states that will be taken care of during the Public Hearing. This is to solicit public comment and
32 then take the action of the Council, which is required, that it be moved to the Warrant. Councilor Boyd
33 stated based on what he has read and what was provided in the packet, he is operating under the premise
34 that the Town Council has authority to act on this. Chairman Harrington stated the Council could
35 establish a revolving fund, but it has to be approved by the public. Councilor Boyd stated that was not
36 clear to him.

37
38 Chairman Harrington stated agreement the description does not note the item is for consideration as a
39 warrant article. Councilor Boyd stated he was of the opinion the Council had the ability to act on this,
40 that he would be voting this up or down. He had no indication that ultimately the voters would have a
41 final say. When he read the legislative intent regarding political subdivision he was thinking he has a
42 say. It was simply a matter of being confused.

43
44 Councilor Vaillancourt requested the Town Manager re-read the sentence she wished to be revised.
45 Town Manager Cabanel stated the language in the last sentence of the first paragraph under the heading
46 of authority currently reads: “The Treasurer of the Town of Merrimack shall have control of all moneys
47 in the fund and shall only remit the equal amount upon direct order by Director of Parks & Recreation
48 subject to the approval of the Town Council.” She would like it to be amended to state “upon direct
49 order of the Town Manager....” Councilor Vaillancourt stated her desire to see that amendment made.

1
2 Councilor Vaillancourt requested clarification of the meaning of the sentence, which reads: “After
3 creation of such recreation revolving fund, the moneys in such fund shall not need further Town
4 approval to be expended.” Chairman Harrington explained it is intended to mean there is no
5 requirement to appear before the Town Council for each expenditure from the fund. The expenditures
6 could be approved by the Town Manager.
7

8 Councilor Vaillancourt stated her understanding the policy languages states the expenditure of any
9 surplus would come before the Town Manager and Town Council prior to being expended. Director
10 Casparius and Town Manager Cabanel stated that to be correct.
11

12 Councilor Vaillancourt questioned if it was the appropriate time to discuss the process for implementing
13 new programs, and was informed that should be discussed under a specific agenda item on a future
14 agenda. When asked, she stated she would like to ensure there is some kind of process in place to
15 determine the scope of new programs. She stated she would strongly oppose the idea of giving the
16 authority to the Parks & Recreation Committee particularly at the onset. She recommended the process
17 come before the Town Council. She has concerns with the after school/childcare program that had been
18 mentioned for school vacation weeks. She stated her opinion that type of program goes beyond the
19 department’s typical programming.
20

21 Vice Chairman Mahon commented there are many other communities where a Park & Recreation
22 Department runs an after school program. It is not done here and perhaps not in some of the
23 surrounding towns, but there are a number of places where that is done. That is something that would be
24 discussed with the Town Council.
25

26 Councilor Boyd asked for additional information on the identification of Director’s salary allocation
27 expenses listed in the last sentence of the second paragraph on page 1 under the heading of authority.
28 Director Casparius responded presently approximately \$35,000 comes out of the revenue generated from
29 the summer camp program to go towards the Director’s salary. Although the desire is to move the
30 summer camp program over to a revolving fund, he would anticipate that allocation would continue to
31 occur. Assistant Town Manager/Finance Director Micali commented similar to what occurs with
32 outside details for the Police Department and at the wastewater treatment plant, there is an
33 administrative allocation from the program. In the Parks & Recreation department there are two people
34 for whom a portion of their salaries are allocated from program funds. During the summer months the
35 department Secretary is dedicated to the day camp program. As a result the full amount of her salary for
36 those 12 weeks is funded by that program. With regard to the Director, the day camp consumes his time
37 beyond when it is in session, and a portion of his salary is allocated from program funds.
38

39 Councilor Boyd questioned if associated costs such as healthcare, retirement contributions, etc., for
40 those positions are included in the allocations and was informed they are. Town Manager Cabanel
41 stated it is a long established practice and methodology that is used to determine the allocations for each
42 of the funds. There is an administrative cost the general fund receives in as revenue from these other
43 funds. It is the same practice and formula for each fund.
44

45 With gross appropriating the Director’s entire salary would be shown in the Parks and Recreation
46 department of the general fund inclusive of all benefits. Within revenues there would be a line that says
47 administrative costs from the day camp fund. The net result is the general fund is essentially reimbursed
48 for a portion of the salary and benefits. The intent is to provide transparency, e.g., if an individual were
49 interested in knowing the Director’s salary the entirety of that would be listed in the general fund.

1
2 Town Manager Cabanel explained these types of allocations occur throughout the budget. She provided
3 the example of outside details for the Police Department. The biggest is the sewer fund. That
4 department is staffed, but does not have anyone performing payroll functions, human resource functions,
5 purchasing functions, etc. When those functions are needed they are provided by other Town personnel.
6 The Assistant Town Manager/Finance Director has a formula by which he determines how much of his
7 time and that of other Town employees is allocated to that fund as a result of providing those services.
8 Although his salary and those of the other Town employees are identified in total within the general
9 fund, the sewer fund contributes the amount determined by the formula, which is accounted for under
10 revenue. It is simply a manner by which to clearly identify the salaries of individual Town employees.

11
12 Chairman Harrington questioned if the policy required adoption by the Council, as amended. It was
13 suggested that the policy portion of the revolving fund be tabled until after the vote by the townspeople
14 on the fund itself.

15
16 **MOTION made by Councilor Vaillancourt and seconded by Councilor Mahon to move to**
17 **establish a Recreation Revolving Fund in accordance with RSA 35-B:2, to designate the Town**
18 **Manager as agent of proposed Fund, and to move to the Warrant. MOTION CARRIED 5-0-0**

19
20 Town Manager Cabanel stated the point of the revolving fund is to allow for flexibility in establishing
21 taxpayer paid programs. It has nothing to do with the tax rate. It comes down to a group of citizens
22 wishing to have a program in place, paying the associated costs, and the department using those funds to
23 facilitate the program. It is for the benefit of the taxpayers, allows the department to react to
24 opportunities that arise, etc.

25
26 **2. Public Hearing - Proposed Municipal 2016-17 Operating Budget and Warrant Articles**

27 *Submitted by Town Manager Eileen Cabanel and Finance Director Paul T. Micali*

28 Town Council will hold a public hearing to discuss the following:

- 29
30 • 2016/17 Proposed Municipal Operating Budget (*NH RSA 32:5, I & NH RSA 40:13 II-b*)

31
32 Chairman Harrington provided a PowerPoint [presentation](#) outlining the budget approved by the Town
33 Council at its January 25th meeting. The presentation included a summary of appropriations, which
34 included Capital Reserve Fund (CRF) expenditures as well as self-supporting fund appropriations. It
35 was noted those dollars do not impact the tax rate; CRF expenditures are funded through existing dollars
36 in the corresponding CRF (withdrawals), and self-supporting fund appropriations are funded with
37 revenue received from self-supporting funds (revenue), e.g., for every dollar expended there is a
38 corresponding withdrawal from an existing account or revenue placed into the budget from self-
39 supporting funds. The total of appropriations is reduced by various revenue sources. The proposed
40 FY17 budget reflects a 1.6% increase (or \$0.09 per \$1,000 valuation) over the FY16 budget. The FY16
41 tax rate was \$5.49 and the proposed FY17 tax rate is \$5.58/\$1,000 valuation.

42
43 Chairman Harrington noted the proposed budget excludes any changes resulting from Collective
44 Bargaining Agreement (CBA) Warrant Articles.

45
46 A slide was projected that displayed the items that affect the tax rate, which are essentially the items
47 listed under appropriations and revenues minus the CRF expenditures and withdrawals and the self-
48 supporting fund appropriations and revenue. The line item for CRF deposits proposes an 11.48%

1 (\$166,000) increase over the previous year's appropriation. Total proposed increase in appropriations is
2 \$611,701 (2.56%) and total revenues have increased by \$260,552 (1.60%).

3
4 Under the category of revenues, the line for General Fund – Insurance Rebate shows a reduction of
5 \$300,000. The rebate occurred in FY16, and cannot be reflected in FY17.

6
7 A number of slides were shown depicting the various increases and decreases in the proposed FY17
8 budget in comparison to the FY16 budget (detailed explanation of total expenditures/appropriations
9 (rounded to \$612,000)). Chairman Harrington noted the proposed \$97,000 increase in overtime in the
10 Fire Department budget was discussed at length during the Council's deliberations. Another item that
11 was discussed at length was the increase in payroll resulting from a 53rd week. Chairman Harrington
12 commented every 6 or 7 years there is a 53rd week of payroll. That increase (\$225,000) will be taken
13 from the FY16 unexpended fund balance. Vice Chairman Mahon noted the \$5,000 appropriation
14 identified for the Last Rest Cemetery is a new appropriation in FY17. It is intended to cover the
15 maintenance cost for the Town tomb in the front area of the Last Rest Cemetery.

16
17 Town Manager Cabanel stated this year was one where very significant changes to health insurance
18 were sought during negotiations of contracts. Health insurance for all of the union contracts as well as
19 non-union employees were proposed to change from no deductible to a \$1,000/\$3,000 deductible, which
20 is a huge change, and represents a large savings. She stated her proposal includes changing the health
21 insurance for non-union employees. Health insurance is an area where costs cannot be controlled. In an
22 attempt to manage that cost, having a \$1,000/\$3,000 deductible, the employee now has skin in the game
23 and needs to make decisions with regard to his/her choices. The intent is to save money, but also to
24 change the way people look at and use their health insurance.

25
26 Also proposed is a 5% raise for non-union employees, e.g., department heads, staff in Town Hall,
27 Wastewater Treatment Facility employees, etc. (total of 59 employees). This group of employees has
28 not had a salary increase in 5 years with the exception of a \$1,500 raise received in FY13. In addition to
29 that is the request being made for employees to make an enormous change in their health insurance, and
30 unlike the union contracts that have several successive years where they have negotiated increases, non-
31 union employees can only be offered that on a yearly basis.

32
33 A slide was shown depicting the increases/decreases associated with revenues. Capital Purchases
34 proposed for FY17 were depicted. Chairman Harrington spoke of the line item for the Souhegan River
35 Trail listed under Road Infrastructure with an associated cost of \$586,000, noting that amount includes
36 an 80% Federal match from Transportation Alternative Program Funds in the amount of \$436,000. It is
37 the difference between the total cost and the revenue received from the Federal match that has to be
38 raised in taxes (\$150,000). Vice Chairman Mahon added with the project being done in conjunction
39 with the Chamberlain Bridge Work, there will be a savings achieved through economy of scale (approx.
40 \$200,000).

41
42 Chairman Harrington noted the Bedford Road Bridge Replacement listed at a cost of \$2,727,500
43 includes 80% State match from the State Bridge Aid in the amount of \$2,182,000. Although gross
44 budgeting dictates that the total expenditure of \$2,727,500 be identified in the budget, only the
45 difference (\$545,500) has to be raised through taxes.

46
47 With regard to CRF deposits, a slide was displayed identifying the areas for which funds were being
48 saved (future capital expenses).

1 The Deliberative Session is scheduled for Thursday, March 10, 2016 at 7:00 p.m. at the James
2 Mastricola Upper Elementary School All Purpose Room. Annual voting day is Tuesday, April 12, 2016
3 between the hours of 7:00 a.m. and 7:00 p.m. at the James Mastricola Upper Elementary School located
4 at 26 Baboosic Lake Road.

5
6 *Chairman Harrington declared the Public Hearing open at 8:33 p.m.*

7
8 No public comment was offered.

9
10 *Chairman Harrington declared the Public Hearing closed at 8:34 p.m.*

11
12 **MOTION made by Councilor Boyd and seconded by Councilor Dwyer to move the Municipal**
13 **Operating Budget in the amount of Thirty Four Million Two Hundred and Seventy Three**
14 **Thousand, Six Hundred and Twenty Five Dollars (\$34,273,625) to the Warrant. MOTION**
15 **CARRIED 5-0-0**

- 16
17
 - Collective Bargaining Agreement(s), if any (*RSA 40:13 II-b*)

18
19 Vice Chairman Mahon stated there to be six Collective Bargaining units in Town. This year five (5)
20 additional Warrant Articles will be presented for the 5 agreements that have been negotiated. All of the
21 agreements reached are for three-year periods (July 1, 2016 to June 30, 2019).

22
23 The first is for the Supervisors of Police and Fire (AFSCME 93, Local 3657). This contract covers 17
24 employees, and includes a wage adjustment, effective July 3, 2016, of 3% to remain competitive for
25 retention and recruitment in these job classifications, and a wage increase of 3%. Effective July 1, 2016
26 is the new health plan, which adds a mail prescription component and the deductibles discussed earlier
27 \$1,000/member and \$3,000/family per year. Effective July 2, 2017 there will be a wage increase of 3%
28 and effective July 1, 2018 (3rd year of contract), there will be a wage increase of 3%. Employee life
29 insurance changes from a flat \$10,000 to a 1X base yearly wage. Employee accidental death and
30 dismemberment coverage will change from a flat \$10,000 amount to 1X base yearly wage. The cost
31 impact in the first year of the contract is \$47,896 (\$0.02 impact on tax rate).

32
33 *Chairman Harrington declared the Public Hearing open at 8:37 p.m.*

34
35 No public comment was offered.

36
37 *Chairman Harrington declared the Public Hearing closed at 8:38 p.m.*

38
39 **MOTION made by Councilor Mahon and seconded by Councilor Vaillancourt that the Collective**
40 **Bargaining Agreement between the Town of Merrimack and AFSCME 93, Local 3657 in the**
41 **amount of Forty Seven Thousand Eight Hundred and Ninety Six (\$47,896) be moved to the**
42 **Warrant. MOTION CARRIED 4-1-0**

43 *Councilor Dwyer voted in opposition*

44
45 The contract for the Dispatchers and Office Staff of the Police Department (NEPBA 112) covers 12
46 employees and includes a wage increase, effective July 3, 2016, of 3%, effective July 1, 2016 is the
47 change in deductibles to \$1,000/member and \$3,000/family per year. Effective July 2, 2017 and July 1,
48 2018 there will be a wage increase of 3%. The contract also includes the addition of \$2,000/year for

1 tuition assistance. The net impact in the first year of the contract is a reduction of \$3,186 ((\$0.00)
2 impact on tax rate).

3
4 *Chairman Harrington declared the Public Hearing open at 8:39 p.m.*

5
6 No public comment was offered.

7
8 *Chairman Harrington declared the Public Hearing closed at 8:40 p.m.*

9
10 **MOTION made by Councilor Dwyer and seconded by Councilor Mahon to move the Collective**
11 **Bargaining Agreement between the Town of Merrimack and NEPBA 112 in the amount of a**
12 **negative Three Thousand One Hundred and Eighty Six Dollars (-\$3,186) to the Warrant.**

13 **MOTION CARRIED 5-0-0**

14
15 The contract for the Supervisory and clerical employees of the Public Works Department (Teamsters
16 Local 633) covers 11 employees and includes a wage increase, effective July 3, 2016, of 3%, effective
17 July 3, 2016 the change in deductibles to \$1,000/member and \$3,000/family per year. Effective July 2,
18 2017 and July 1, 2018 there will be a wage increase of 3%. The cost impact in the first year of the
19 contract is \$3,778 (\$0.00 impact on tax rate).

20
21 *Chairman Harrington declared the Public Hearing open at 8:41p.m.*

22
23 No public comment was offered.

24
25 *Chairman Harrington declared the Public Hearing closed at 8:42 p.m.*

26
27 **MOTION made by Councilor Mahon and seconded by Councilor Vaillancourt to move the**
28 **Collective Bargaining Agreement between the Town of Merrimack and Teamsters Local 633 in**
29 **the amount of Three Thousand Seven Hundred and Seventy Eight Dollars (\$3,778) to the**
30 **Warrant. MOTION CARRIED 4-1-0**

31 *Councilor Dwyer voted in opposition*

32
33 The contract for the Labors of the Public Works Department (AFSCME 93, Local 2986) covers 40
34 employees and includes a wage increase, effective July 3, 2016, of 1%, a wage increase, effective
35 January 1, 2017, of 3%, change in deductibles to \$1,000/member and \$3,000/family per year, effective
36 January 1, 2017, a wage increase of 3% effective July 2, 2017 and July 1, 2018, increase wing rate from
37 \$1.00 to \$2.00 per hour, an increase in the Saturday/Sunday differential from \$.50 to \$.75/hour, and a
38 meal allowance of \$10.00 for every 14 hours of work during a winter event or emergency. The cost
39 impact in the first year of the contract is \$11,466 (\$0.00 impact on tax rate).

40
41 *Chairman Harrington declared the Public Hearing open at 8:45 p.m.*

42
43 Jim Ferreira, 7 Maryann Lane

44
45 Questioned the meaning of wing rate. Assistant Town Manager/Finance Director Micali explained on
46 all of the major dump trucks (6-wheel and 10-wheel) there is an additional wing plow that comes down.
47 When they are plowing with that additional wing plow it is more difficult than plowing with the front
48 plow only, and requires additional expertise and challenge. When plowing with the wing down there is
49 an additional \$2.00/hour paid.

1
2 Mr. Ferreira questioned if the intent is a 6% wage increase in 2017. It was explained the percentage in
3 July of 2016 is 1% and the percentage in July of 2017 is 3%.

4
5 *Chairman Harrington declared the Public Hearing closed at 8:47 p.m.*

6
7 **MOTION made by Councilor Mahon and seconded by Councilor Boyd to move the Collective**
8 **Bargaining Agreement between the Town of Merrimack and AFSCME 93, Local 2986 in the**
9 **amount of Eleven Thousand Four Hundred Sixty Six Dollars (\$11,466) to the Warrant. MOTION**
10 **CARRIED 4-1-0**

11 *Councilor Dwyer voted in opposition*

12
13 The contract for the Firefighters and Paramedics of the Fire Department (IAFF Local 2904) covers 24
14 employees and includes, effective July 1, 2016, the removal of the paramedic stipend and inclusion of an
15 initial \$3,500 (\$1.60/hour) added to the base rate of pay for Firefighter/Paramedic and Master
16 Firefighter/Paramedic, effective January 1, 2017 a wage increase of 3%, effective January 1, 2017 the
17 change in deductibles to \$1,000/member and \$3,000/family per year, effective July 2, 2017 and July 1,
18 2018 a wage increase of 3%, and effective July 1, 2016 an increase in the maximum short-term
19 disability insurance weekly benefit from 70% of base up to \$600 per week to 70% of base up to \$700.
20 The cost impact in the first year of the contract is a reduction of \$29,264 (\$0.01 impact on tax rate).

21
22 *Chairman Harrington declared the Public Hearing open at 8:49 p.m.*

23
24 No public comment was offered.

25
26 *Chairman Harrington declared the Public Hearing closed at 8:50 p.m.*

27
28 **MOTION made by Councilor Boyd and seconded by Councilor Vaillancourt to move the**
29 **Collective Bargaining Agreement between the Town of Merrimack and IAFF Local 2904 in the**
30 **amount of Twenty Nine Thousand Two Hundred Sixty Four Dollars (\$29,264) to the Warrant.**
31 **MOTION CARRIED 4-1-0**

32 *Councilor Dwyer voted in opposition.*

33
34 Vice Chairman Mahon stated all unions have agreed the Town will be moving to a bi-weekly payroll
35 cycle sometime after July 1, 2016.

36
37 Total fiscal impact of all CBAs, if approved by the voters, is \$89,218 or \$0.03/\$1,000.

38
39 Councilor Vaillancourt expressed gratitude to all who participated in the negotiations and the union and
40 non-union personnel who agreed to substantial healthcare concessions. She spoke of cost avoidance that
41 will be seen in future years as a result.

42
43 Chairman Harrington commented on the Affordable Care Act in terms of Cadillac plans. Town
44 Manager Cabanel stated that was something that was initially targeted. The health insurance plans have
45 gotten so costly due to the richness of the plans that they were already getting up to the point where the
46 Town was going to be penalized by 40% for any amount over the cost of the Cadillac tax. That has now
47 been pushed off to 2020 and beyond. The Cadillac tax issue isn't immediately looming, but the issue of
48 reducing the cost of health insurance is of critical importance.

1 Chairman Harrington expressed gratitude for the tremendous amount of work that went into these
2 negotiations, and the resulting cost savings to the taxpayers.

- 3
- 4 • Proposed Issuance of Debt, if any (*RSA 33:8-a (I)*) - None
- 5 • Petitioned Bonds, if any (*NH RSA 33:8-a (I)*) - None
- 6 • Other Petitioned Warrant Articles, if any (*RSA 40:13 II-b*) - None
- 7

8 **Legislative Updates from State Representatives** - None

9

10 **Town Manager's Report** - None

11

12 **Consent Agenda** - None

13

14 **Old Business** - None

15

16 **New Business**

17

18 **2. Review of the 2016-2017 Default Budget**

19 *Submitted by Town Manager Eileen Cabanel and Finance Director Paul T. Micali*

20 The Town Council will review the 2016-2017 Default Budget.

21

22 Assistant Town Manager/Finance Director Micali stated the default budget is statutory in nature for all
23 SB2 districts (ballot vote). In the traditional Deliberative Session form of government the merits of the
24 budget are discussed, there would be motions from the floor to move it in one direction or the other, and
25 the end result is the budget. With a ballot vote, if the proposed operating budget were not approved,
26 there needs to be a default budget number for the Town to operate under for the coming year.

27

28 The baseline for the default budget is the previous year's approved budget number. Added to that are
29 any contractual obligations. The FY16 budget was \$31,507,148. From there you add and decrease for
30 union benefits that were not in contract. Currently there are 6 unions that are not in contract. The
31 biggest expense on those union contracts is health insurance. If none of the union contracts were to pass
32 and the default budget were to come into play, that increase in the health insurance would be needed.
33 Therefore, the \$31,507,148 is allowed to be increased by \$67,000. From there you reduce the number
34 by the one-time purchases from the prior year (\$2,907,334).

35

36 FY17 includes a 53rd week of payroll as well as an additional election. Those figures are added in as a
37 one-time unusual purchase. From there debt service is looked at; includes both General Fund and
38 Wastewater. The FY16 debt is subtracted out and the FY17 debt payment is added. The result is a total
39 default budget for FY17 of \$29,384,969.

40

41 The CRF purchases that were backed out of appropriations have to have a corresponding reduction in
42 revenues. That brings the revenue down to \$14,470,343. The property tax levy would be \$15,980,626
43 divided by the valuation for a default property tax rate of \$5.38/\$1000 or a \$0.20 differential.

44

45 Chairman Harrington questioned what would happen to the Souhegan River Trail and the Chamberlain
46 Bridge project if the default budget were adopted. Assistant Town Manager/Finance Director stated,
47 because the Council is the agent to expend on the CRFs, the departments and the Town Manager would
48 come back to the Council and request expenditure of those funds out of the CRFs. When asked what
49 would occur with the proposed CRF deposits, he stated, if the default budget were enacted, a meeting

1 would be conducted to allow the Town Manager to come before the Council with recommendations on
2 how to fund the budget within the \$29,384,969. Town Manager Cabanel stated should the default
3 budget be enacted she would have to come before the Council with recommendations for reductions in
4 the amount of \$582,156.

5
6 **MOTION made by Councilor Boyd and seconded by Councilor Mahon to move the 2016-2017**
7 **default budget in the amount of Twenty Nine Million Three Hundred Eighty Four Thousand Nine**
8 **Hundred Sixty Nine Dollars (\$29,384,969) to the Warrant. MOTION CARRIED 5-0-0**
9

10 **3. Review of 2016 Town Warrant**

11 *Submitted by Town Manager Eileen Cabanel*

12 The Town Council to review and make recommendations on each article of the 2016 Town Warrant.

13
14 Chairman Harrington read the following into the record:

15
16 The State of New Hampshire

17
18 To the inhabitants of the Town of Merrimack in the County of Hillsborough in said state, qualified to
19 vote in town affairs:

20
21 You are hereby notified that the First Session (*Deliberative*) of the Annual Meeting of the Town of
22 Merrimack will be held at the Masticola Upper Elementary School's All-Purpose Room on Baboosic
23 Lake Road in said Merrimack on Thursday, March 10, 2016, at 7:00 o'clock in the evening (pm) for
24 explanation, discussion, and debate of each Warrant Article. Warrant Articles may be amended at this
25 session per RSA 40:13, IV.

26
27 You are hereby notified that the Second Session (*Ballot Voting*) of the Annual Meeting of the Town of
28 Merrimack will be held on Tuesday, April 8, 2016, at 7:00 o'clock in the forenoon (am) for the choice of
29 town officers elected by official ballot, to vote on questions required by law to be inserted on the
30 Official Ballot, and to vote on all Warrant Articles from the First Session on Official Ballot per RSA
31 40:13, VII. The polling place for the election of town officers, and other actions required to be inserted
32 on the ballot, will open on said date at 7:00 o'clock in the forenoon (am) and will not close earlier than
33 7:00 o'clock in the evening (pm).

34
35 The aforementioned polling place will be as follows:

36 James Masticola Upper Elementary School All-Purpose Room, 26 Baboosic Lake Road

37
38 Article 2

39
40 Shall the Town vote to raise and appropriate as an operating budget, not including appropriations by
41 special warrant articles and other appropriations voted separately, the amounts set forth on the budget
42 posted with the warrant or as amended by vote of the first session, for the purposes set forth therein,
43 totaling \$34,273,625. Should this article be defeated, the default budget shall be \$29,384,969, which is
44 the same as last year, with certain adjustments required by previous action of the Town or by law; or the
45 Town Council may hold one (1) special meeting, in accordance with RSA 40:13, X and XVI, to take up
46 the issue of a revised operating budget only.

47
48 **MOTION made by Councilor Boyd and seconded by Councilor Mahon to recommend Article 2 as**
49 **stated. MOTION CARRIED 5-0-0**

1
2 Vice Chairman Mahon noted the vote to recommend may be changed after the Deliberative Session. The
3 Council typically meets immediately following the Deliberative Session to go back through this for the
4 final Warrant that will be presented to the voters for the April voting.

5
6 Article 3

7
8 Shall the Town of Merrimack vote to approve the cost items included in a collective bargaining
9 agreement reached between the Merrimack Town Council and the American Federation of State, County
10 and Municipal Employees 93, Local 3657, which calls for the following increases in salaries and
11 benefits at the current staffing levels:

Fiscal Year	Wage Increase	Benefit Costs
2016-17	91,516	(43,620)
2017-18	46,984	
2018-19	48,496	

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19 and further to raise and appropriate the sum of \$47,896, such sum representing the anticipated increase
20 in salaries and benefits over those of the appropriation at current staffing levels paid in the prior fiscal
21 year? The passage of this article will result in employees covered by the collective bargaining
22 agreement changing their health care to \$20 office visit \$10/\$25/\$40 pharmacy co-pay, \$10/\$40/\$70
23 mail-in, and \$1,000/\$3,000 deductible plan. These savings have been factored into the estimated fiscal
24 impact set forth above. This collective bargaining agreement covers supervisory employees of the Fire
25 and Police Departments.

26
27 **MOTION made by Councilor Mahon and seconded by Councilor Vaillancourt to recommend**
28 **Article 3 as stated. MOTION CARRIED 4-1-0**
29 *Councilor Dwyer voted in opposition*

30
31 Article 4

32
33 Shall the Town of Merrimack vote to approve the cost items included in a collective bargaining
34 agreement reached between the Merrimack Town Council and the New England Police Benevolent
35 Association Local 112, which calls for the following increases in salaries and benefits at the current
36 staffing levels:

Fiscal Year	Wage Increase	Benefit Costs
2016-17	15,630	(18,816)
2017-18	15,779	
2018-19	16,282	

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44 and further to raise and appropriate the sum of \$0.00, such sum representing the anticipated increase in
45 salaries and benefits over those of the appropriation at current staffing levels paid in the prior fiscal
46 year? The passage of this article will result in employees covered by the collective bargaining
47 agreement changing their health care to \$20 office visit \$10/\$20/\$45 pharmacy co-pay, \$1,000/\$3,000
48 deductible plan. These savings have been factored into the estimated fiscal impact set forth above. This
49 collective bargaining agreement covers Dispatchers and Office Staff of the Police Department.

1
2 **MOTION** made by Councilor Mahon and seconded by Councilor Boyd to recommend Article 4 as
3 stated. **MOTION CARRIED 5-0-0**

4
5 Article 5

6
7 Shall the Town of Merrimack vote to approve the cost items included in a collective bargaining
8 agreement reached between the Merrimack Town Council and the Teamsters Local 633, which calls for
9 the following increases in salaries and benefits at the current staffing levels:

Fiscal Year	Wage Increase	Benefit Costs
2016-17	22,461	(18,683)
2017-18	23,137	
2018-19	23,864	

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16
17 and further to raise and appropriate the sum of \$3,778, such sum representing the anticipated increase in
18 salaries and benefits over those of the appropriation at current staffing levels paid in the prior fiscal
19 year? The passage of this article will result in employees covered by the collective bargaining
20 agreement changing their health care to \$20 office visit \$10/\$20/\$45 pharmacy co-pay, \$1,000/\$3,000
21 deductible plan. These savings have been factored into the estimated fiscal impact set forth above. This
22 collective bargaining agreement covers Supervisory and Clerical employees of the Highway, Solid
23 Waste Disposal, Wastewater Treatment, and Equipment Maintenance Divisions of the Public Works
24 Department.

25
26 **MOTION** made by Councilor Mahon and seconded by Councilor Boyd to recommend Article 5 as
27 stated. **MOTION CARRIED 4-1-0**

28 *Councilor Dwyer voted in opposition*

29
30 Article 6

31
32 Shall the Town of Merrimack vote to approve the cost items included in a collective bargaining
33 agreement reached between the Merrimack Town Council and the American Federation of State, County
34 and Municipal Employees 93, Local 2986, which calls for the following increases in salaries and
35 benefits at the current staffing levels:

Fiscal Year	Wage Increase	Benefit Costs
2016-17	60,042	(48,576)
2017-18	33,702	
2018-19	86,808	

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42
43 and further to raise and appropriate the sum of \$11,466, such sum representing the anticipated increase
44 in salaries and benefits over those of the appropriation at current staffing levels paid in the prior fiscal
45 year? The passage of this article will result in employees covered by the collective bargaining
46 agreement changing their health care to \$20 office visit \$10/\$20/\$45 pharmacy co-pay and
47 \$1,000/\$3,000 deductible plan on January 1, 2017. These savings have been factored into the estimated
48 fiscal impact set forth above. This collective bargaining agreement covers the laborers of the Public

1 Works Department to include Highway, Wastewater, Solid Waste, and Equipment Maintenance
2 Divisions.

3
4 **MOTION made by Councilor Boyd and seconded by Councilor Vaillancourt to recommend**
5 **Article 6 as stated. MOTION CARRIED 4-1-0**

6 *Councilor Dwyer voted in opposition*

7
8 Article 7

9
10 Shall the Town of Merrimack vote to approve the cost items included in a collective bargaining
11 agreement reached between the Merrimack Town Council and the International Association of Fire
12 Fighters, Local 2904, which calls for the following increases in salaries and benefits at the current
13 staffing levels:

Fiscal Year	Wage Increase	Benefit Costs
2016-17	49,928	(20,064)
2017-18	41,006	
2018-19	69,421	

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20
21 and further to raise and appropriate the sum of \$29,864, such sum representing the anticipated increase
22 in salaries and benefits over those of the appropriation at current staffing levels paid in the prior fiscal
23 year? The passage of this article will result in employees covered by the collective bargaining
24 agreement changing their health care to \$20 office visit \$10/\$20/\$45 pharmacy co-pay and
25 \$1,000/\$3,000 deductible plan on January 1, 2017. These savings have been factored into the estimated
26 fiscal impact set forth above. This collective bargaining agreement covers the Firefighters and
27 Paramedics of the Fire Department.

28
29 **MOTION made by Councilor Boyd and seconded by Councilor Vaillancourt to recommend**
30 **Article 7 as stated. MOTION CARRIED 4-1-0**

31 *Councilor Dwyer voted in opposition*

32
33 Minutes

34
35 Approve the minutes from the Town Council meetings of January 21, 2016, January 25, 2016, and
36 January 28, 2016.

37 **MOTION made by Councilor Mahon and seconded by Councilor Boyd to table acceptance of the**
38 **meeting minutes until the Council's next regularly scheduled meeting. MOTION CARRIED 5-0-**
39 **0**

40
41 Comments from the Press - None

42
43 Comments from the Public

44
45 Yvette Couser, 11 Currier Road

46
47 Stated Warrant Article 1 identified the Second Session of the Annual Meeting is to occur on April 8,
48 2016. The Town calendar identifies it as April 12, 2016.

1 Assistant Town Manager/Finance Director Micali stated the correct date is April 12, 2016.

2
3 **Comments from the Council**

4
5 Vice Chairman Mahon announced he will not be seeking re-election.

6
7 Councilor Dwyer spoke of Vice Chairman Mahon having been a great mentor and having an abundance
8 of historical and procedural knowledge.

9
10 Councilor Boyd echoed the remarks of Councilor Dwyer. When he joined the Council in 2011 Vice
11 Chairman Mahon acted as a mentor to him as well. He stated it has been a privilege to learn from him
12 and work with him.

13
14 Councilor Vaillancourt thanked Vice Chairman Mahon for his service to the community.

15
16 Councilor Vaillancourt noted the Conservation Commission met on February 1st. The newly appointed
17 Alternate Member, Gina Rosati, was present and participated. There were a few members of the
18 audience who expressed interest in participating on the sub-committees. There remains a full-time
19 opening on the Commission as well as two Alternate positions.

20
21 Town Manager Cabanel commented it is a very exciting time to be on the Conservation Commission as
22 a great deal is being accomplished. There are a number of mentors on the Commission who can provide
23 a great deal of assistance to new members.

24
25 **Adjourn**

26
27 **MOTION made by Councilor Boyd and seconded by Councilor Mahon to adjourn the meeting.**

28 **MOTION CARRIED 5-0-0**

29
30 *The February 11, 2016 meeting of the Town Council was adjourned at 9:30 p.m.*

31
32
33
34 Submitted by Dawn MacMillan